

THE TRANSPORTATION LINK

OFFICE OF THE
SECRETARY

U.S.
COAST GUARD

FEDERAL AVIATION
ADMINISTRATION

FEDERAL HIGHWAY
ADMINISTRATION

FEDERAL RAILROAD
ADMINISTRATION

NATIONAL HIGHWAY
TRAFFIC SAFETY
ADMINISTRATION

FEDERAL TRANSIT
ADMINISTRATION

ST. LAWRENCE SEAWAY
DEVELOPMENT
CORPORATION

MARITIME
ADMINISTRATION

RESEARCH &
SPECIAL PROGRAMS
ADMINISTRATION

JULY 1998



Luz Araoz Hopewell,
Director of the
Office of Small and
Disadvantaged
Business Utilization

Technology is rapidly changing the way business is conducted. In our efforts to bring you information relevant to your continued success in contracting with the Department of Transportation (DOT), this *Transportation Link* issue presents several topics reflecting how technology is affecting the current direction and business application of electronic commerce within DOT.

Electronic commerce is largely defined as exchanging business information, buying and selling by electronic means, such as over the Internet. Rapidly, it is becoming the standard means by which the DOT and other federal agencies conduct business.

The use of credit cards is one example of electronic commerce that is critical for the small business entrepreneur to become familiar with. Their use in Government to purchase goods and services is quickly expanding.

Lastly, I want to personally thank each of you who responded to our request in April for feedback on our customer service. A summary of your responses is included in this edition. We are very encouraged by the results and inspired to continue working to help you achieve your goals.

Electronic Commerce: Connecting DOT and You

As electronic commerce (EC) is being increasingly practiced and integrated with traditional contracting methods, it is revolutionizing the way the Department of Transportation (DOT) conducts business. The maturing and development of EC and its increasing use across all levels of business will forever change the way we view acquisition and supply. It is critical that the small business entrepreneur understand what EC is, how it is being used in the DOT procurement process and how to make it work for **you** in your pursuit of DOT opportunities.

EC is the exchange of business information using electronic formats, including Electronic Data Interchange

(EDI), Electronic Mail (e-mail), Electronic Bulletin Boards (EBBs), Electronic Funds Transfer (EFT) and the Internet. EC technologies are designed to reduce traditional paper-based work flows with faster, more efficient and reliable communications between computers.

To most effectively conduct business in the current environment, using EC technology, requires that businesses have access to a computer and a modem.

Each technology brings its own benefits. You as a businessperson must evaluate and decide which technologies should become part of your EC business strategy. Sending messages and computer files by e-mail or fax have become

continued on page 2

Government Credit Cards Charge Ahead

Are you credit card savvy? Does your business accept credit cards as payment? If a purchasing agent from the U.S. Department of Transportation (DOT) called you tomorrow, ready to buy your goods and services, but said they would be paying with a credit card ... would you be ready to complete the transaction or potentially lose the business to your competition?

The DOT currently has 20,000 purchase cards dispersed throughout the agency. In the current fiscal year, a total of \$250,000,000 worth of credit card purchases will be conducted by DOT. Will some of that business go to you?

As a small business entrepreneur, it is critical that you become credit card

ready! The trend in DOT procurement will increasingly involve purchases using credit cards for a variety of reasons. Credit card purchases are fast, convenient and they save DOT money. Every time DOT conducts a transaction by credit card, they save approximately \$54 in administrative expenses. In the last fiscal year, it is estimated that DOT made over 625,000 purchases by credit card. Approximately 87% of DOT's purchases under \$100,00 are made by credit cards. Purchases of \$10,000 to \$25,000, and even up to \$1,000,000 can be made by credit card, depending on the complexity of the product or service.

For larger contracts or acquisitions where the procurements are more com-

continued on page 3

President Clinton Signs Transportation Bill for the Twenty-First Century

On June 6, President Clinton signed the Transportation Equity Act for the 21st Century (TEA-21), the six-year reauthorization of ISTEA (Intermodal Surface Transportation Efficiency Act). TEA-21 provides a record \$198 billion for investment in highway and transit funding to maintain and improve America's surface transportation systems for the 21st century.

President Clinton remarked, "This landmark legislation provides for record levels of investment in our transportation system while honoring the balanced budget agreement. Working together with

Congress, we have built a firm foundation to move all America forward into the 21st century."

Secretary Slater said, The TEA-21 reflects the President's priorities as outlined in his March 1997 proposal and focuses on improving safety, rebuilding America, protecting the environment, creating opportunity and ensuring global competitiveness.

TEA-21 assures continued participation in surface transportation programs by small, disadvantaged businesses through the Disadvantaged Business Enterprise program and continues im-

portant labor protections, such as the Davis-Bacon Act and 13(c) for transportation workers.

This legislation provides a total of \$217 billion in surface transportation investment over the next six years. It protects commitments to a balanced budget and to the President's other vital priorities such as education, child care, and Social Security. TEA-21 continues core highway, bridge and transit programs.

For more information, visit the OSD-BU website TEA-21 page at: <http://osdbuweb.dot.gov/istea.htm>

(EC continued from page 1)

standard business practices.

EFT speeds the payment and crediting of funds in a secure, electronic environment. The Internet is an EC tool that more and more businesses are putting to use. Establishing your own website will enable your business to market its goods and services electronically 24 hours a day.

Small businesses should consider that it is the Federal Government's goal to significantly step up efforts to conduct procurement activities via EC. To assist small businesses implement EC quickly and efficiently through low-cost or no-cost services, Electronic Commerce Resource Centers (ECRCs) can provide assistance.

You may wish to contact one of the 14 Minority Educational Institutions (MEI) partnered with OSDBU under the Entrepreneurial Training and Technical Assistance Program (ETTAP) at: <http://osdbuweb.dot.gov/programs/ETTAP/contacts.html>. MEI's provide transportation-related assistance and procurement information to small women-owned and disadvantaged businesses.

Small and medium-sized businesses that want to conduct business with federal government sites will need to subscribe to a Value-Added Network (VAN) provider. That's in order to receive and respond to Request for Quotes

(RFQs) through the Federal Acquisition Computer Network (FACNET). The VAN will allow your business to receive RFQ's from hundreds of government sites according to search criteria that you provide to VAN. Assistance with selecting a VAN can be found at <http://www.rcacwv.com/vanmatrix2.htm>.

How is DOT using EC in the acquisition and procurement process?

DOT develops the procurement forecast. The DOT procurement forecast is collected from all the DOT Operating Administrations (OA) via the Internet. The collection of this information is hosted on the DOT Office of Small and Disadvantaged Business Utilization (OSDBU) website.

Contract opportunities are posted on the Internet. DOT is in the process of implementing an Electronic Posting System (EPS) that the DOT OAs will be able to use to post DOT procurement opportunities at a central Internet location. Businesses will be able to download solicitations from the Internet.

Currently, OSDBU consolidates and posts the DOT OA procurement locations and all the state DOT procurement sites on the Internet at <http://osdbuweb.dot.gov/consolic.htm>. DOT and OSDBU will be using the Internet and "push" technologies, such as automatic e-mail notification, to improve the information dissemination process. Fol-

low up on the OSDBU site, "What's New" for further developments.

Companies respond with proposals. Currently, proposal submission via the web is less common. While some DOT OAs are using this technology to a limited degree, this effort is dependent upon security and other considerations. As the business community ramps up on EC, proposal submission electronically will become more common.

Contracts are awarded. Similarly, the awarding of contracts is a facet of the procurement process that is in its infancy. DOT foresees posting award information on the Internet in the near future. The Commerce Business Daily does post award information at <http://cbdnet.access.gpo.gov/>

The company is paid. The Debt Collection Improvement Act of 1996 stipulates that most recipients of federal payments would receive their funds by electronic direct deposit. Electronic credit card purchases and payments are also becoming increasingly common now.

For continued success in today's world, it is critical that small businesses discover what EC can do for them and to integrate EC into day-to-day business operations.

For more information on EC, visit the Electronic Commerce Program Office web site: <http://www.acq.osd.mil/ec/index.htm>

The Electronic Commerce Resource Center Program

Do you want your business to find out more about using Electronic Commerce (EC), but are not sure where or how to start? Small businesses can find out all they need to know on how to get started by contacting one of the 16 regional Electronic Commerce Resource Centers (ECRCs).

These centers are designed to assist and facilitate the small to medium-size businesses leap into the world of advanced electronic commerce technologies.

The ECRCs were established by Congress to aid industry, government and educational institutions. They are funded and directed through the Defense Logistics Agency's (DLA) Joint Electronic Commerce Program Office (JECPO).

Although directed by DLA-JECPO, the ECRCs will provide support to companies doing business with the Department of Transportation (DOT), other federal agencies, as well as the Department of Defense. The DLA-JECPO web site, <http://www.acq.osd.mil/ec/index.htm>, provides excellent program information.



The ECRCs promote the increased usage of information technology and EC to speed, add accuracy, reduce costs involved in the exchange of business, commercial and technical information. These benefits are applicable in the acquisition process and continuously throughout the supply processes.

The ECRCs' staff can demonstrate the technologies involved, provide training and help you plan and implement your own practical EC strategy at low-cost or no-cost to businesses.

For more information on Electronic Commerce Resource Centers, their locations and the regions they support, please visit the Electronic Commerce Resource Center Program Home Page at: <http://www.ecrc.ctc.com>.

Utah Transportation Forum

All Small Business Owners are invited to join OSDBU, state and local officials for a "Transportation Forum" in Utah.



The event will be held on Tuesday, August 4th from 8:00 AM to 3:00 PM at the Salt Lake Hilton in Salt Lake City.

The Forum is designed to inform, train, and assist small businesses, including minorities and women intending to secure DOT-funded procurement and DOT-assisted contracting with Federal, state and local transportation agencies.

There is no cost associated with registration. For registration and information, call Nelson Quinones at (800) 532-1169 ext. 69886. To register online, <http://osdbuweb.dot.gov/programs/invite.html>.

Credit Cards, continued from page 1.

plex, traditional purchase orders or contracts might be required to clearly define the specifics of the purchase. In that event, even though the purchase is not made by credit card, the payments can be.

One of the major benefits to a small business is the speed of payment. How long does it take typically to get an invoice paid? Many businesses are used to waiting 30, 60, or even 90 days. If your products or services are paid for via credit card, it could take as little as 24 to 72 hours to receive payment.

The benefits of that positive cash flow should more than compensate for the setup fees involved. Many financial in-

stitutions can provide you with credit card service, but shop around to find the best deal.

There are two types of fees involved with accepting credit cards. The one more commonly discussed is the discount fee. If someone spends \$1,000 for your products or services and pays with credit card, you will owe the financial institution a percentage, called a discount fee, of that \$1,000.

This fee can vary based on many factors, but it is usually about 2 to 3.5%. This fee is roughly equivalent to the discount that many organizations have always given for prompt payment. There is a relatively small onetime fee to cover start-up expenses involved in purchas-



ing or leasing the equipment used to process credit cards

Use credit services to give your company a competitive advantage. Highlight in your marketing materials that you accept credit cards. Credit card use by the federal government is here to stay.

For more information on the use of Credit Cards at DOT, see <http://www.dot.gov/ost/m60/tamtar/chap1213.htm#appen13b>

Marketing Strategy is Confirmed

In the April edition of the Transportation Link, we included a customer service feedback questionnaire. The feedback we received overwhelmingly indicates that OSDBU should continue providing you with the options of receiving information in both electronic and printed mediums.

Seventy-eight percent (78%) of respondents who use OSDBU's web site find it user friendly and easy to use. Eighty-six percent (86%) expressed the same opinion about the Fax On-Demand service. Written materials came in at about 88%.

Eighty-nine percent (89%) who have used our 800 number to contact our National Information Clearinghouse (NIC), indicated that the NIC representative provided timely and courteous service and was able to answer the questions 85% of the time without forwarding you to another source.

When you were forwarded to a business specialist, your questions were answered to your satisfaction 85% of the time.

Thank you for taking the time to provide your feedback. We will use this information to serve you better.

CALENDAR OF EVENTS OF INTEREST TO M/WBES JULY/AUGUST 1998

Date	Event	Location	Contact
July 21	US Department of Treasury Partnership/IT '98 Ronald Reagan Building 1331 Penn. Ave., NW.	Washington, D.C.	Mary Ellen Dorsey (202) 622-0374
July 19-24	1998 Minority Business Executive Program Sponsored by the Amos Tuck School of Business	Hanover, NH	Paula E. Graves (603) 646-3740
July 20-26	63 rd Annual NANBPWC Convention Sponsored by the National Association of Negro Business & Professional Women's Clubs, Inc.	Charlotte, NC	NANBPWC (202) 483-4206
July 22-25	15 th Annual Trade Fair Sponsored by National Minority Supplier Development Council of Florida, Inc.	Orlando, FL	NMSDC (407) 859-3901
August 4	U.S. DOT/OSDBU Utah Transportation Forum Salt Lake Hilton 150 West 500 South Salt Lake City, Utah	Salt Lake City, UT	Nelson Quinones (800) 532-1169 ext. 69886
August 14	Women's Expo Breed Leadership Center, Columbia College	Columbia, SC	Susan Davis (803) 786-3108

<http://osdbuweb.dot.gov>

US Department of Transportation
Office of the Secretary of Transportation
Base Technologies, Inc.
1749 Old Meadow Road
Suite 500
McLean, VA 22102
Address Correction Requested